

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2711

Introduced by Assembly Member Parra

February 24, 2006

An act to amend Section 33521 of the Financial Code, relating to payment instruments.

LEGISLATIVE COUNSEL'S DIGEST

AB 2711, as amended, Parra. Payment instruments.

Existing law, the Payment Instruments Law, governs the sale of payment instruments, as defined. Existing law, among other things, prohibits a licensee, as defined, or its agents, as defined, from selling any payment instrument unless the payment instrument is approved as to form by the Commissioner of Financial Institutions. *Existing law requires the commissioner to approve an application as to form of a payment instrument to be issued by a licensee if the commissioner makes specified findings.*

~~This bill would make technical, nonsubstantive, and conforming changes to that provision~~ *revise these provisions to remove the requirement that the commissioner approve those payment instruments as to form. The bill would prohibit a licensee from selling any payment instrument unless the payment instrument meets specified requirements.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 33521 of the Financial Code is amended to read:

33521. ~~(a) No licensee shall, nor shall any licensee cause or permit any of its California agents to, sell in this state any payment instrument issued by the licensee unless the payment instrument shall have first been approved as to form by the commissioner.~~

~~(b) If the commissioner finds, with respect to an application by a licensee for approval as to form of a payment instrument to be issued by the licensee, all of the following are satisfied :~~

~~(1) That the~~

~~(a) The payment instrument clearly identifies the licensee as the issuer of the payment instrument.~~

~~(2) That the~~

~~(b) The payment instrument is not misleading in any material respect.~~

~~(3) That the~~

~~(c) The payment instrument complies with all applicable laws.~~

~~The commissioner shall approve the application and shall, after all conditions precedent to the approval of the payment instrument as to form have been fulfilled, approve the payment instrument as to form. If, after notice and a hearing, the commissioner finds otherwise, the commissioner shall deny the application.~~